

Message Text

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PAGE 01 BUDAPE 01455 111045Z
ACTION EUR-12

INFO OCT-01 IO-13 ISO-00 AGRE-00 CEA-01 CIAE-00
COME-00 DODE-00 EB-08 FRB-03 H-01 INR-10 INT-05
L-03 LAB-04 NSAE-00 NSC-05 PA-01 CTME-00 AID-05
SS-15 STR-07 ITC-01 TRSE-00 ICA-11 SP-02 SOE-02
OMB-01 DOE-15 /126 W
-----080093 111520Z /45

R 110933Z APR 78
FM AMEMBASSY BUDAPEST
TO SECSTATE WASHDC 1183
INFO USMISSION GENEVA
AMEMBASSY BONN
AMEMBASSY BRUSSELS
AMEMBASSY COPENHAGEN
AMEMBASSY DUBLIN
AMEMBASSY LONDON
AMEMBASSY LUXEMBOURG
AMEMBASSY PARIS
AMEMBASSY ROME
AMEMBASSY THE HAGUE

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USEEC ALSO FOR EMBASSY

E.O.11652: N/A
TAGS: EEWT, ETRD, HU
SUBJECT: VISIT OF TREASURY DAS EHRENHAFT TO BUDAPEST

1. TREASURY DAS EHRENHAFT MET WITH BUREAU HEADS JANOS
NYERGES OF THE MINISTRY OF FOREIGN TRADE AND LASZLO AKAR
OF THE MINISTRY OF FINANCE APRIL 7. CORDIAL DISCUSSION
INCLUDED EXPRESSIONS BY NYERGES OF (A) DESIRE TO AVOID
INVOLVEMENT IN U.S. ANTIDUMPING PROCEEDINGS BY
HUNGARIAN COMPANIES (AND COMMITMENT TO INVESTIGATE
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PERSONALLY CIRCUMSTANCES OF TUNGSRAM CASE), (B) WILLINGNESS
TO CONSIDER ON CASE-BY-CASE BASIS, INCULUDING SPECIFICALLY
TUNGSRAM, REQUESTS BY U.S. CUSTOMS TO VERIFY DATA
HUNGARIAN EXPORTERS MIGHT PRESENT TO SHOW THAT HUNGARIAN
ECONOMY NOT "STATE CONTROLLED" WITHIN MEANING OF ANTI-
DUMPING ACT AND THAT HOME PRICES ARE PROPER "FAIR VALUE"
OR TO PROVE QUANTITIES OF FACTORS OF PRODUCTION UNDER

PROPOSED NEW TREASURY REGULATION, AND (C) EAGERNESS TO COOPERATE IN WORK OF GATT ANTIDUMPING COMMITTEE, IN WHICH CONNECTION HE PROPOSES SUBMITTING FIRST TO U.S. AND THEN FOR CIRCULATION COMMENTS ON PRIORITY ISSUES AGREED AT APRIL 3-4 MEETING, PARTICULARLY RELATING TO WHAT HE REGARDS AS ARBITRARY PROCEDURES OF EC AND INABILITY TO OBTAIN ACCESS TO INFORMATION ON WHICH EC COMMISSION TAKES DUMPING OR "MARKET DISRUPTION" ACTIONS. EHRENHAFT EXPRESSED APPRECIATION FOR VIEWS ON ALL ISSUES.

2. EARLIER EHRENHAFT VISITED OFFICES AND PLANT OF TUNGSRAM FOR MEETING WITH GENERAL DIRECTOR BELA DIENES AND OTHER EXECUTIVES OF COMPANY, AND ALLEN MERKEN, PRESIDENT OF ACTION-TUNGSRAM (NEW TUNGSRAM-U.S. JOINT VENTURE TO MAKE IN NEW JERSEY AND IMPORT FROM HUNGARY HOUSEHOLD LIGHT BULBS OF TUNGSRAM DESIGN). THEY CONFIRMED LOW EXPORT PRICES TO U.S. BUT CONTENDED (A) SUCH WERE NOT BELOW HUNGARIAN HOME MARKET PRICES OR COSTS (DUE TO SUPERIOR HIGH-SPEED TECHNOLOGY), (B) U.S. MARKET OVER 80 PERCENT CONTROLLED BY SYLVANIA, GE AND WESTINGHOUSE, AND 7 PERCENT BY NORTH AMERICAN PHILLIPS, WHILE TUNGSRAM PRESENT SHARE ONLY 3 PERCENT, THUS PRECLUDING "INJURY" UNDER ANTIDUMPING ACT, AND (C) THEY WOULD CONTEST ANY ANTIDUMPING ACTION BUT WOULD PROBABLY AGREE TO VERIFICATION THEIR DATA IF NECESSARY. MEETING WAS USEFUL TO ACQUAINT TUNGSRAM TOP OFFICIALS WITH U.S. LAW, WHICH WAS NOT WELL LIMITED OFFICIAL USE

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UNDERSTOOD (MERKEN, ON OTHER HAND, WAS FAMILIAR WITH DUMPING LAWS AND INDICATED ACTION HAS EMPLOYED COMPETENT LEGAL ADVICE IN DEVELOPING MARKET FOR TUNGSRAM PRODUCTS IN U.S.).
WILGIS

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Message Attributes

Automatic Decaptioning: X
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Decaption Date: 01 jan 1960
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Disposition Approved on Date:
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Disposition Reason:
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